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9 **UNITED STATES DISTRICT COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**  
11 **WESTERN DIVISION**

12 SECURITIES AND EXCHANGE COMMISSION, Case No. 08-CV-06278 GAF (SSx)

13 Plaintiff,

14 vs.

15 WEALTHWISE, LLC and  
16 JEFFREY A. FORREST,

17 Defendants.  
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**JUDGMENT OF PERMANENT  
INJUNCTION AND OTHER RELIEF AS  
TO DEFENDANTS WEALTHWISE, LLC  
AND JEFFREY A. FORREST**

1 Plaintiff Securities and Exchange Commission ("Commission") having filed a Complaint and  
 2 Defendants WealthWise, LLC and Jeffrey A. Forrest (collectively "Defendants") having entered  
 3 a general appearance; consented to the Court's jurisdiction over Defendants and the subject  
 4 matter of this action; consented to entry of this Judgment of Permanent Injunction and Other  
 5 Relief (the "Judgment") without admitting or denying the allegations of the Complaint (except as  
 6 to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal  
 7 from this Judgment:

## 8 I.

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants and  
 10 Defendants' agents, servants, employees, attorneys, and all persons in active concert or  
 11 participation with them who receive actual notice of this Judgment by personal service or  
 12 otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities  
 13 Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the  
 14 use of any means or instruments of transportation or communication in interstate commerce or  
 15 by use of the mails, directly or indirectly:

- 16 (a) to employ any device, scheme, or artifice to defraud;
- 17 (b) to obtain money or property by means of any untrue statement of a material fact  
 18 or any omission of a material fact necessary in order to make the statements  
 19 made, in light of the circumstances under which they were made, not misleading;  
 20 or
- 21 (c) to engage in any transaction, practice, or course of business which operates or  
 22 would operate as a fraud or deceit upon the purchaser.

## 23 II.

24 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants  
 25 and Defendants' agents, servants, employees, attorneys, and all persons in active concert or  
 26 participation with them who receive actual notice of this Judgment by personal service or  
 27 otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section  
 28 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and

1 Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or  
 2 instrumentality of interstate commerce, or of the mails, or of any facility of any national  
 3 securities exchange, in connection with the purchase or sale of any security:

- 4 (a) to employ any device, scheme, or artifice to defraud;
- 5 (b) to make any untrue statement of a material fact or to omit to state a material fact  
 6 necessary in order to make the statements made, in the light of the circumstances  
 7 under which they were made, not misleading; or
- 8 (c) to engage in any act, practice, or course of business which operates or would  
 9 operate as a fraud or deceit upon any person.

### 10 **III.**

11 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants  
 12 and their agents, servants, employees, attorneys, and all persons in active concert or participation  
 13 with them who receive actual notice of this Judgment by personal service or otherwise are  
 14 permanently restrained and enjoined from violating, directly or indirectly, Section 206(1) or  
 15 206(2) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§80b-6(1) and (2)],  
 16 by using the mails or any means or instrumentality of interstate commerce while acting as an  
 17 investment adviser as defined in the Advisers Act:

- 18 (a) to employ any device, scheme, or artifice to defraud clients or prospective clients;  
 19 or
- 20 (b) to engage in any transaction, practice, or course of business which operates as a  
 21 fraud or deceit on clients or prospective clients;

### 22 **IV.**

23 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants  
 24 shall, in an amount to be determined, pay disgorgement of ill-gotten gains, prejudgment interest  
 25 thereon, and a civil penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d),  
 26 Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), and Section 209(e)(1) of the  
 27 Advisers Act, 15 U.S.C. § 80b-9(e)(1) . The Court shall determine the amounts of the  
 28 disgorgement and civil penalty, if any, upon motion of the Commission. Prejudgment interest, if

any, shall be calculated from January 1, 2007, based on the rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2).

**V.**

In connection with the Commission's motion(s) for disgorgement and/or civil penalties and at any hearing held on such motion: (a) Defendants will be precluded from arguing that they did not violate the federal securities laws as alleged in the Complaint; (b) Defendants may not challenge the validity of the Consents or this Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for disgorgement and civil penalties, the parties may take discovery, including discovery from appropriate non-parties.

**VI.**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Defendants' Consents are incorporated herein with the same force and effect as if fully set forth herein, and that Defendants shall comply with all of the undertakings and agreements set forth therein.

**VII.**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Judgment.

**VIII.**

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Judgment forthwith and without further notice.

Dated: February 4, 2009

  
**HONORABLE GARY A. FEESS**  
**UNITED STATES DISTRICT JUDGE**